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Exhibit 300: Capital Asset Summary
Part I: Summary Information And Justification (All Capital Assets)

Section A: Overview & Summary Information

Date Investment First Submitted: 2010-03-19
Date of Last Change to Activities: 2012-02-29
Investment Auto Submission Date: 2012-02-29
Date of Last Investment Detail Update: 2012-02-29
Date of Last Exhibit 300A Update: 2012-05-31
Date of Last Revision: 2012-05-31

Agency: 025 - Department of Housing and Urban Development   **Bureau:** 00 - Agency-Wide Activity

Investment Part Code: 01

Investment Category: 00 - Agency Investments

1. Name of this Investment: Mortgage Insurance

2. Unique Investment Identifier (UII): 025-000004570

Section B: Investment Detail

1. **Provide a brief summary of the investment, including a brief description of the related benefit to the mission delivery and management support areas, and the primary beneficiary(ies) of the investment. Include an explanation of any dependencies between this investment and other investments.**

   The Mortgage Insurance investment consists of 11 legacy systems and the FHA Transformation project that together execute FHA's mission to expand affordable housing and homeownership opportunities, strengthen program controls, and improve program management. Today these operations represent almost one-third of the nation's residential mortgage market. HUD's Housing programs provide mortgage insurance on loans secured by new or existing homes, condominiums, manufactured housing, and housing needing rehabilitation. An additional, key element of the housing market is reverse equity mortgages to elderly homeowners (HECM). FHA's mortgage insurance programs have fulfilled a critical purpose by stabilizing the nation s housing markets during the recent period of economic and financial disruption, and have continued to make home ownership affordable to borrowers nationwide. The mortgage Insurance legacy systems span insurance underwriting and claims for Single Family purchases, refinances, and reverse mortgages, manufactured housing and home improvement loans, counseling for borrowers, and monitoring lenders and borrowers for late payment and default performance. HUD initiated the FHA Transformation project to address performance gaps in mortgage insurance functions relating to mortgage insurance applications, underwriting, endorsement, and lender qualification. This project will add new automated tools for underwriting and risk and fraud management, that HUD will be able to share across Single Family, Multifamily, and Health Care mortgage insurance programs.

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Through this initiative, HUD will be able to manage loan files through the loan-lifecycle; provide FHA with the core capabilities to better manage risk in its insurance programs; restore the Department's capital reserve fund to Congressionally mandated levels; and enable millions of first-time borrowers and minority, low-income, elderly, and other underserved households to realize the benefits of home ownership.

2. **How does this investment close in part or in whole any identified performance gap in support of the mission delivery and management support areas? Include an assessment of the program impact if this investment isn't fully funded.**

 HUD's Mortgage Insurance investment is directly responsible for executing one of HUD's Agency Priority Goals (APG) to Strengthen the Nation's Housing Market to Bolster the Economy and Protect Consumers.   This investment addresses the above APG by providing affordable housing and homeownership opportunities to first-time home buyers, and by assisting homeowners who are at risk of losing their homes due to foreclosure. HUD collects delinquency data that provides an early warning for potential claims, especially possible fraud breakouts and sub-prime lender activity. This data is used by HUD and its lenders to help prevent foreclosures and claims. Through its Housing Counseling Services, HUD also provides foreclosure avoidance counseling for homeowners. Through the FHA Transformation initiative this investment seeks to address number of functional performance gaps impacting Office of Housing's ability to manage risk that could be inherent as a result of increased loan volumes. The current gaps exist in portfolio analysis, lender performance assessment, appraiser performance assessment, risk management, and fraud monitoring. The impacts of losing funding for this investment are far reaching. First and foremost, this investment will fund the continued operation and maintenance of the systems that execute financial operations for FHA's mortgage insurance programs. These systems process mortgage insurance applications, bill and collect premiums, pay claims, manage receivables and other assets, track delinquencies and defaults, and help provide counseling to first-time home buyers and existing homeowners. Without uninterrupted operation and maintenance support for these systems, FHA's mortgage insurance operations would stop, affecting upwards of 18,000 lenders; 3.7 million homeowners, multifamily units, and healthcare facility; and $24 billion in annual Federal resources obligated in support of $400 million of insurance-in-force. This investment will fund continued operation of Single Family, Multi Family, and Health Care insurance initiatives to accept new mortgage insurance applications and to manage a portfolio of over $1 trillion of insurance in force, representing federal insurance liabilities already covered by FHA s mortgage insurance funds, for which borrowers and lenders have already paid.

3. **Provide a list of this investment's accomplishments in the prior year (PY), including projects or useful components/project segments completed, new functionality added, or operational efficiency achieved.**

 In FY 2011, this investment accomplished the following milestones: * Introduced HECM Saver Program that was created to lower upfront loan closing costs with a reduced initial MIP * Introduced a new FHA refinance loan program to help homeowners who owe more than their home is worth because of large falls in home prices in their local markets * Minimum decision credit scores and LTV ratios for FHA-insured single family mortgages were modified * Annual MIP were changed for Forward Loans * Implemented baseline Financial Industry Standard Platform   provides initial components for transitioning of Single Family Housing

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legacy applications to target environment hosted by HUD HITS. * Operationalized Enhanced PETR Algorithm   enhances automated capabilities to increase focus on the Post Endorsement Technical Review (PETR) process by providing increased volume of loans for targeted review. * Implement counterparty risk management solution (LEAP - Lender Electronic Assessment Portal).

4. **Provide a list of planned accomplishments for current year (CY) and budget year (BY).**

   This investment will continue to fund the operations and maintenance in CY 2012 and BY 2013 for all the current legacy systems under it. The planned accomplishments for FHA Transformation include: OMB 18 Month Deliverables (03/31/12): * Initial deployment of portfolio evaluation capabilities * Initial deployment of SFH Risk and Fraud tool(s) * FHA MFH Development AUS BPR - Procurement of recommended solution OMB 24 Month Deliverables (09/30/12): * Implement counterparty risk management solution (LEAP) - Recertification workflow definition and design * Initial deployment of portfolio evaluation capabilities - GEN 2 requirements completed * Initial deployment of SFH Risk and Fraud tool(s) - GEN 2 deployment (integrated) completed   OMB 30 Month Deliverables (03/31/13): * Initial deployment of portfolio evaluation capabilities - GEN 2 deployment completed   OMB 36 Month Deliverables (09/30/13): * FHA MFH Development AUS BPR - Implementation of BPR recommendation completed.

5. **Provide the date of the Charter establishing the required Integrated Program Team (IPT) for this investment. An IPT must always include, but is not limited to: a qualified fully-dedicated IT program manager, a contract specialist, an information technology specialist, a security specialist and a business process owner before OMB will approve this program investment budget. IT Program Manager, Business Process Owner and Contract Specialist must be Government Employees.**

2011-09-12

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Section C: Summary of Funding (Budget Authority for Capital Assets)

1.

Table I.C.1 Summary of Funding				
	PY-1 & Prior	PY 2011	CY 2012	BY 2013
Planning Costs:	$28.1	$0.0	$0.0	$0.0
DME (Excluding Planning) Costs:	$18.3	$19.8	$29.4	$30.0
DME (Including Planning) Govt. FTEs:	$0.0	$0.0	$0.0	$0.0
Sub-Total DME (Including Govt. FTE):	$46.4	$19.8	$29.4	$30.0
O & M Costs:	$63.3	$8.7	$14.6	$14.0
O & M Govt. FTEs:	$9.4	$1.5	$0.0	$0.0
Sub-Total O & M Costs (Including Govt. FTE):	$72.7	$10.2	$14.6	$14.0
Total Cost (Including Govt. FTE):	$119.1	$30.0	$44.0	$44.0
Total Govt. FTE costs:	$9.4	$1.5	0	0
# of FTE rep by costs:	18	0	0	0

Total change from prior year final President's Budget ($)		$29.9	$44.0	
Total change from prior year final President's Budget (%)		0.00%	0.00%	

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2. If the funding levels have changed from the FY 2012 President's Budget request for PY or CY, briefly explain those changes:

N/A

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Section D: Acquisition/Contract Strategy (All Capital Assets)

				Table I.D.1 Contracts and Acquisition Strategy							
Contract Type	EVM Required	Contracting Agency ID	Procurement Instrument Identifier (PIID)	Indefinite Delivery Vehicle (IDV) Reference ID	IDV Agency ID	Solicitation ID	Ultimate Contract Value ($M)	Type	PBSA ?	Effective Date	Actual or Expected End Date
Awarded	8600	HUDCCOPC2 3868									
Awarded	8600	HUDCOPC2373 5OPCT0001									
Awarded	8600	HUDCOPC2335 7OPCT0001									
Awarded	8600	HUDCOPC2380 3OPCT0001									
Awarded	8600	HUDCCOPC23 829OPCT0001									
Awarded	8600	HUDCCOPC23 829	GS35F4704G	4730							
Awarded	8600	HUDCCOPC23 829	GS35F4704G	4730							
Awarded	4730	GSC-QFOB-10- 0007									
Awarded	4730	GSC-QFOB-10- 0007									
Awarded	8600	R-OPC-23743									

2. If earned value is not required or will not be a contract requirement for any of the contracts or task orders above, explain why:

HUD EVM policy requires EVM in contracts with life-cycle development costs of $5 million or more and financial management systems that obligate more than $500,000 annually. Certain contracts funded by this investment are Steady State or Infrastructure Services contracts and do not provide development efforts, therefore EVM is not required.

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Exhibit 300B: Performance Measurement Report

Section A: General Information

Date of Last Change to Activities: 2012-02-29

Section B: Project Execution Data

Table II.B.1 Projects					
Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost ($M)
663990	FHA Transformation	The FHA Transformation Initiative has procured a modern federal financial services platform, composed of commercially available products and services, for all of FHA's insurance programs – Single Family Housing, Multifamily Housing, and the Insured Health Care portfolio. The program will implement a case management business model that addresses the loan-lifecycle (e.g., initial data submission, endorsement, servicing) and risk analytics platform to better understand dynamic market trend.			
251540	MultiFamily Housing Development and Automated Underwriting Solution	Implementation of an industry specific, COTS automated underwriting solution that leverages the FHA Federal Financial Services Platform (FFSP). It will enable HUD to manage the upfront risks of the MFH underwriting process effectively; adapt to changing			

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Table II.B.1 Projects

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost ($M)
		market conditions with flexibility and agility; and effectively monitor and enforce lender performance.			

Activity Summary

Roll-up of Information Provided in Lowest Level Child Activities

Project ID	Name	Total Cost of Project Activities ($M)	End Point Schedule Variance (in days)	End Point Schedule Variance (%)	Cost Variance ($M)	Cost Variance (%)	Total Planned Cost ($M)	Count of Activities
663990	FHA Transformation							
251540	MultiFamily Housing Development and Automated Underwriting Solution							

Key Deliverables

Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days)	Schedule Variance (%)
251540	MFH Phase I – Business Process Reengineering (BPR) for AUS	Completion of BPR analysis for modernizing the MFH business process model and presenting a new recommended solution for automated underwriting.	2011-09-30		2011-09-30	232	0	0.00%
663990	Emerging Trends Analysis: GEN1 Risk & Fraud Tool Pilot (PPM: Definition/Design) - Risk Analytics	Requirements for tool that will provide reporting and analytics to identify emerging issues and trends in borrower/ collateral risk and fraud (with external data); acquisition of risk & fraud tool (PPM: Definition,	2012-04-01	2012-04-01		356	-152	-42.70%

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		Key Deliverables						
Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days)	Schedule Variance (%)
		Design)						

Section C: Operational Data

Table II.C.1 Performance Metrics								
Metric Description	**Unit of Measure**	**FEA Performance Measurement Category Mapping**	**Measurement Condition**	**Baseline**	**Target for PY**	**Actual for PY**	**Target for CY**	**Reporting Frequency**
Percentage of time systems are available	Percentage	Customer Results - Customer Benefit	Over target	95.000000	95.000000		95.000000	Quarterly
A43 - Number of days to process loan corrections	Days	Process and Activities - Quality	Over target	7.000000	5.000000		5.000000	Quarterly
MDDR: Number of Defaulted loan Submissions	Number	Mission and Business Results - Management of Government Resources	Over target	3550.000000	3500.000000	3426.000000	3500.000000	Semi-Annual
F42D - Single Family Default Monitoring System (SFDMS): Percentage of the single family delinquent/default status data reported by FHA Single Family Servicers from the point a loan reaches 30 days delinquent until episode closes through termination or reinstatement.	Customer Quality	Technology - Information and Data	Over target	95.000000	96.000000	96.000000	97.000000	Monthly
CHUMS, F17 - Increase the percentage of Business Partner submissions that can be received electronically in electronic capability for lenders and brokers to submit applications and data	Percentage	Process and Activities - Management and Innovation	Over target	2.000000	3.000000		3.000000	Semi-Annual
Percentage of new lender applications	Percentage of online lender applications	Technology - Efficiency	Over target	0.000000	90.000000		90.000000	Quarterly

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	Table II.C.1 Performance Metrics							
Metric Description	Unit of Measure	FEA Performance Measurement Category Mapping	Measurement Condition	Baseline	Target for PY	Actual for PY	Target for CY	Reporting Frequency
submitted electronically using new LEAP automated toolset (lender approval)								